



Staff Analysis

STATE PUBLIC WORKS BOARD

Friday, March 8, 2019 at 10:00 a.m. in

Room 113, State Capitol, Sacramento, California

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Pursuant to section 11125 of the Government Code, notice of all Board meetings will be given at least ten days in advance and such notice must include a copy of the agenda. Members of the Public may address the Board prior to it taking action on any matter in the agenda.

This notice and the Board agenda for the current month are available on the Internet at: <http://www.spwb.ca.gov>.

Individuals who need disability-related accommodation, including auxiliary aids for effective participation at this public meeting are invited to make their requests and preferences known to Kathryn Lee at (916) 445-9694 or e-mail to Kathryn.lee@dof.ca.gov, five days prior to the meeting.

BOND ITEMS

BOND ITEM—1

**BOARD OF STATE AND COMMUNITY CORRECTIONS (5227)
ADULT LOCAL CRIMINAL JUSTICE FACILITIES PROJECT
TRINITY COUNTY**

Authority: Sections 15820.93 – 15820.936 of the Government Code (SB 863)

Consider adopting a resolution to:

- a) Authorize actions to be taken to provide for interim financing and declare the official intent of the Board to reimburse certain capital expenditures from the Public Buildings Construction Fund from the proceeds of the sale of bonds.**
- b) Authorize the sale of lease revenue bonds.**
- c) Authorize and direct to take any and all actions and execute documents as may be needed to carry out the purposes of this resolution.**

Total Bond Allocation

\$20,000,000

STAFF ANALYSIS ITEM—1

Board of State and Community Corrections
Adult Local Criminal Justice Facilities Project
Trinity County

Action Requested

If approved, the requested action would adopt a resolution authorizing actions to be taken to provide for interim financing, authorize the sale of lease revenue bonds, and other related actions.

Scope Description

This project is within scope. This project consists of the design and construction of a new stand-alone jail facility on approximately four acres of county-owned land in the city of Weaverville. The new jail will include housing, intake, housing support, and administrative space.

The project consists of approximately 70 beds in multiple two-tiered housing units; each with a dayroom and access to an outdoor recreation yard. The housing area will be controlled by an adjacent staff station and will consist of program space, medical and mental health, as well as kitchen and laundry facilities.

The intake area includes in-custody intake, visitation, central control, and interview space. Administrative spaces include a public lobby, staff locker rooms, a break room, space for mechanical and electrical system, and storage.

The project will include all standard and necessary appurtenances for building operations.

Funding and Project Cost Verification

This project is within cost. Section 15820.932 of the Government Code provides \$500,000,000 lease revenue bond financing authority to partially finance the design and construction of adult local criminal justice facilities. The initial allocation of this funding to individual counties was administered through the Board of State and Community Corrections (BSCC) through a competitive public process. On April 24, 2017, the Board established the scope, cost, and schedule of this project, allocating \$20,000,000 of the \$500,000,000 lease revenue bond financing authority. At the time of establishment, the total estimated project cost was \$22,011,000. On September 18, 2017, the Board approved the preliminary plans with a total estimated project cost of \$21,982,000. On December 18, 2018, the Department of Finance approved the working drawings/proceed to bid with a total estimated project cost of \$21,982,000, which includes anticipated savings of \$29,000.

\$22,011,000 Total authorized project cost

\$21,982,000 Total estimated project cost

\$20,000,000 State costs previously allocated: \$19,000 preliminary plans, \$69,000 working drawings, \$19,912,000 construction (\$17,230,000 contract, \$862,000 contingency, \$475,000 A&E, \$1,345,000 other project costs)

\$0 State cost adjustments: an increase of \$29,000 working drawings, and a decrease of \$29,000 construction (a decrease of \$27,000 contract, a decrease of \$2,000 contingency)

\$2,011,000 Local costs previously allocated: \$122,000 acquisition/study, \$721,000 preliminary plans, \$1,072,000 working drawings, \$96,000 construction (\$96,000 other project costs)

\$29,000 Local costs anticipated savings: an increase of \$1,000 preliminary plans, a decrease of \$30,000 working drawings

CEQA

The Notice of Determination was filed with the Trinity County Clerk's office on May 27, 2015, and the 30-day statute of limitations expired without challenge.

Real Estate Due Diligence

A Summary of Conditions Letter for this project was completed on November 8, 2017, and no issues that would adversely affect the beneficial use and quiet enjoyment of the project were identified.

Project Schedule

Approve preliminary plans	September 2017
Complete working drawings	December 2018
Start construction	April 2019
Complete construction	August 2020

Staff Recommendation: **Adopt resolution.**

MINUTES

Consider approving the minutes from the February 8, 2019 meeting.

Staff have reviewed the minutes from the February 8, 2019 meeting and recommend approval of those meeting minutes.

Staff Recommendation: **Approve minutes from the February 8, 2019 meeting.**

CONSENT ITEMS

CONSENT ITEM—1

**DEPARTMENT OF CORRECTIONS AND REHABILITATION (5225)
HEALTH CARE FACILITY IMPROVEMENT PROGRAM
STATEWIDE**

Authority: Sections 15819.40 (b) and (c) and 15819.401-15819.404 of the Government Code

- | | |
|--|---|
| a) Approving augmentation | \$10,780,000
(1.14 percent of total authority)
(19.0 percent cumulative) |
| b) Recognizing revised project costs for three
Health Care Facility Improvement Program
Projects | |

STAFF ANALYSIS ITEM—1

Department of Corrections and Rehabilitation
Health Care Facility Improvement Program
Statewide

Action Requested

If approved, the requested action would approve an augmentation and recognize revised project costs for three Health Care Facilities Improvement Program (Program) projects as shown in Table 1.

Scope Description

These projects are within scope. The Department of Corrections and Rehabilitation (CDCR) has statewide projects to design and construct medical, dental, and mental health treatment or housing space at existing prison facilities. Nine projects provide a range of mental health services, such as Enhanced Outpatient Program treatment and office space, Intermediate Care Facilities, psychiatric services, and mental health crisis beds. These nine mental health projects have been completed.

The Program projects are part of CDCR's strategy to address statewide prison health care system deficiencies. The Board established 25 Program projects to support health care operations by improving the infrastructure necessary to provide a variety of health care services, including primary care, specialty care, laboratory, medication distribution, pharmacy, health records storage, and related health care administration.

Funding and Project Cost Verification

These projects are not within cost. Sections 15819.401 through 15819.404 of the Government Code appropriated \$900,419,000 lease revenue bond financing authority to the CDCR to design and construct medical, dental, and mental health treatment or housing space at existing prison facilities. The amount authorized in Section 15819.403 of the Government Code was adjusted by Chapter 44, Statutes of 2018, which provided an additional \$43 million to fund existing Program projects for a total authorized amount of \$943,419,000. This appropriation provided \$193.1 million for nine completed mental health projects. The remaining \$750,419,000 has been allocated for the 25 Program projects.

To date, this appropriation has been augmented by \$168,129,000 for various Program projects (17.8 percent cumulative). At this time, CDCR is requesting an augmentation for three HCFIP projects for a total of \$10,780,000 (1.14 percent, 19.0 percent cumulative). Table 1 outlines the cost adjustments for each of the three projects. These adjustments stem from a combination of increases in project costs that are a result of unforeseen variables that materialized during the construction phase of these Program projects.

Table 1. Program Augmentation Requests and Revised Project Costs		
Program Projects	Cost Increases	Revised Project Cost
Wasco State Prison, Wasco	\$5,213,000	\$58,346,000
North Kern State Prison, Delano	\$4,635,000	\$54,992,000
Substance Abuse Treatment Facility, Corcoran	\$932,000	\$23,440,000
Total	\$10,780,000	

Costs have escalated for a number of reasons, as previously outlined in the Staff Analysis for the April 13, 2018 Board meeting.

We note that a number of Program project budgets are still under review and there may be a need for additional actions to bring all the Program projects to completion.

CDCR is making progress on the construction of this Program. Of the 25 prisons that have Program projects funded from this appropriation, one prison was completed in 2017 and three additional prisons were completed in 2018. Two additional prisons are projected to have construction completed by June 2019. As of January 2019, construction activities for the overall Program were approximately 62 percent complete.

On February 8, 2019, the Department of Finance notified the chairs of the Joint Legislative Budget and fiscal committees in each house of its intent to recommend the Board approve the augmentation no sooner than 20 days from that date.

\$1,111,548,000	Total authorized project cost
\$1,122,328,000	Total estimated project cost
\$1,111,548,000	Project costs previously allocated: \$36,466,000 for preliminary plans, \$48,511,000 for working drawings, and \$1,026,571,000 for construction (\$687,343,000 contract, \$41,725,000 contingency, \$58,003,000 A&E, \$97,888,000 other project costs, and \$141,612,000 agency retained items)
\$10,780,000	Augmentation to be allocated: decrease of \$182,000 for preliminary plans, decrease of \$192,000 for working drawings, increase of \$11,154,000 for construction (\$2,548,000 contract, \$153,000 contingency, \$689,000 A&E, \$4,908,000 other project costs, \$2,856,000 agency retained)

CEQA

Notices of Exemption were filed with the State Clearinghouse on various dates, and the 35-day statute of limitations expired without challenge.

Real Estate Due Diligence

The Summary of Conditions Letters for these projects were completed on various dates, and no issues that would adversely affect the beneficial use and quiet enjoyment of these projects were identified.

Project Schedule

Approve preliminary plans	Various
Complete working drawings	Various
Start construction	Various
Complete construction	Various

Staff Recommendation: Approve augmentation and recognize revised project costs for three Program projects, as shown in Table 1.

CONSENT ITEM—2

**DEPARTMENT OF VETERANS AFFAIRS (8955)
CALIFORNIA CENTRAL COAST VETERANS CEMETERY, CITY OF SEASIDE
MONTEREY COUNTY**

*Authority: Chapters 14, 22, and 54, Statutes of 2017, Item 8955-301-0001 (1)
Chapters 29, 30, and 449, Statutes of 2018, Item 8955-301-3013 (1)*

Consider:

- a) Recognizing a scope change**
- b) Approving preliminary plans**

STAFF ANALYSIS ITEM—2

Department of Veterans Affairs
California Central Coast Veterans Cemetery, City of Seaside
Monterey County

Action Requested

If approved, the requested action will approve preliminary plans and recognize a scope change.

Scope Description

This project is not within scope. The Cemetery is located on approximately 12 acres at the former Fort Ord Army base and serves the interment needs of California veterans in the counties of Alameda, Monterey, San Mateo, Santa Cruz, San Benito, and Santa Clara. The approved scope of this project includes the expansion of the existing cemetery by 4.29 acres, approximately 2,000 in ground crypts, approximately 1,700 in-ground cremains plots, and 400 linear feet of additional roadway.

The California Department of Veterans Affairs (CalVet) is requesting changes to the project scope that are necessary to allow the project to be completed within cost, as required by the United States Department of Veterans Affairs Cemetery Grant Program. The proposed changes will offset increased project costs by reducing the expansion from 4.29 acres to 3.3 acres, the number of in-ground crypts from 2,000 to 1,831, and the number of in-ground cremains from 1,700 to 1,000.

Increased project costs are related to site challenges and environmental constraints identified during the design phase. Specifically, the topography of the site includes varying terrain, which requires extensive site work to expand the site as originally planned. In addition, there are a number of environmental considerations that limit site development, including the removal and replacement of fewer Coastal Live Oak trees, and the protection of endangered animal and plant species. CalVet indicates that the proposed changes will allow the project to proceed within cost and schedule.

On February 14, 2019, the Department of Finance notified the chairs of the Joint Legislative Budget Committee and the fiscal committees of each house of its intent to approve this scope change and to recommend the Board recognize the scope change no sooner than 20 days from that date.

Funding and Cost Verification

This project is within cost. Total project costs are estimated at \$9,217,000. Of this amount, \$1,500,000 is General Fund, \$893,000 is California Central Coast State Veterans Cemetery (CCCVC) at Fort Ord Operations Fund (private donations raised by the community), and \$6,878,000 is federal funds. Project costs include \$1,212,000 for preliminary plans, \$621,000 for working drawings, and \$7,384,000 for construction (\$5,342,000 construction contract, \$267,000 contingency, \$731,000 architectural and engineering services, \$200,000 agency retained items, and \$844,000 other project costs).

The 2017 Budget Act appropriated \$1,500,000 for this project (\$1,212,000 for preliminary plans, \$50,000 for working drawings and \$238,000 for construction). The Budget Act of 2018 provided \$571,000 CCCVC at Fort Ord Operations Fund for the working drawings phase of the project. It is anticipated that the construction phase of the project (\$7,384,000) will be funded by: (1) CCCVC at Fort Ord Operations Fund in the amount of \$268,000, (2) federal funds in the amount of \$6,878,000, and (3) General Fund in the amount of \$238,000.

\$2,071,000 Total authorized project costs.

\$9,217,000 Total estimated project costs.

\$1,212,000 Costs previously allocated: \$1,212,000 for preliminary plans.

\$8,005,000 Project costs to be allocated: \$621,000 for working drawings and \$7,384,000 for construction (\$5,342,000 construction contract, \$267,000 contingency, \$731,000 architectural and engineering services, \$200,000 agency retained items, and \$844,000 other project costs).

CEQA

A draft Environmental Impact Report (EIR) and Environmental Assessment (EA), as required by the National Environmental Policy Act, will be completed and available for public review by March 30, 2019. The final EIR and EA will be completed prior to the approval of working drawings.

Real Estate Due Diligence

An Acquisition Project Summary for this project was completed in December 2014 and no significant issues that would adversely affect the beneficial use and quiet enjoyment of this project were identified.

Project Schedule

Approve preliminary plans:	March 2019
Complete working drawings:	July 2019
Start construction:	October 2019
Complete construction:	January 2021

Staff Recommendation: Approve preliminary plans and recognize a scope change.

OTHER BUSINESS

NONE

REPORTABLES

TO BE PRESENTED AT MEETING